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SPECIAL PROGRAMME RESOURCES

Report of the Administrator

I. INTRODUCTION

1. In its landmark decision 90/34 of 23 June 1990 on fifth programming cycle resources, the Governing Council called on the United Nations Development Programme (UNDP) to give priority in all its programmes and activities to the building of national capacities by promoting human development through six focus areas. As part of this strategy and to assist in its implementation, the Council decided that the Special Programme Resources (SPR) for the fifth programming cycle should also be used to strengthen and supplement activities in those areas funded by indicative planning figures (IPFs). To meet this objective for SPR, the Council increased the level of SPR to 7 per cent of total programmable resources in the fifth cycle. The present report will outline the proposed strategy for the use of SPR in the fifth cycle, including indicative amounts for each of the proposed activities, as requested in paragraph 36 of decision 90/34.

2. The level of SPR in the third cycle was established at 1.24 per cent of resources (decision 80/30) and was intended to be used for certain activities in respect of which SPR have become the traditional source - disaster mitigation, technical co-operation among developing countries (TCDC), aid co-ordination, investment promotion and more. The initial allocation for the fourth cycle was kept at the level of 1.24 per cent of resources plus $20 million which otherwise was intended to increase the operational reserve. During the mid-term review of resources, the Governing Council recognized the catalytic potential in SPR for the promotion and enhancement of special focus areas and therefore agreed to a substantial increase in the amount of fourth cycle SPR. The increase, while directed to various activities, was to be used primarily for the Management Development Programme (MDP) and the Special Plan of Economic Co-operation for Central America. Funding for activities such as support to round tables, national technical co-operation assessment and programmes (NATCAPs), the Programme of

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Assistance to the Palestinian People and Programme Research was also increased. The total SPR amount available in the fourth cycle was thus increased to $189.53 million (which translates to 4.93 per cent of fourth cycle programmable resources).

3. With fifth cycle SPR at 7 per cent of programmable resources, the programme development role of SPR will be significantly increased and redirected, strengthening and supplementing activities funded through the IPF, and ensuring that the focus is maintained on the six areas designated by the Governing Council in all UNDP operations. This will be done by the development of new concepts or modalities, their trial application, and through mainstreaming into UNDP activities. Allocations from SPR to individual countries to meet these objectives will be based on quality criteria and will ensure universal access to this source of funding. Furthermore, this role of SPR as a pace-setter will be reinforced through closer linkages with the inter-country and global programmes, as well as with country programmes. Full consultation will take place with specialized agencies to benefit from their experience and ensure their participation in the mainstreaming effort. The Administrator has already brought the Council's decision to the attention of all resident representatives and of recipient Governments so that, to the extent possible, the major focus areas identified by the Council can begin to be reflected in fifth cycle programmes.

4. SPR will continue to support other special purpose activities, traditionally endorsed by the Governing Council, as specified in the table following paragraph 5. It is proposed that new initiatives, such as in the areas of refugees and displaced persons and the human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS), should also be accorded earmarkings from SPR.

II. PROPOSED EARMARKINGS

5. The SPR proposed earmarkings take into account the views expressed on this subject within the Governing Council. They are included in the following table, which is laid out in accordance with the annex to Council decision 90/34, except that the following changes have been made in order of presentation:

(a) The category of "Thematic activities" has been brought forward to precede "Aid co-ordination" and "Programme development";

(b) The "TCDC" category has been moved to "Thematic activities" since the Council listed TCDC as one of the priority areas of focus;

(c) "Transfer and adaptation of technology for development" and "Women in development" are also listed as priority areas of focus in paragraph 7 of the Council's decision; they have therefore been added to the "Thematic activities" listing.

For ease of reference, relevant fourth cycle earmarkings and the SPR proposals presented to the Council at its thirty-seventh session in June 1990 in the report of the Administrator on preparations for the fifth programming cycle and net contributor status (DP/1990/43) are shown in the same table.

PROPOSED FIFTH CYCLE EARMARKINGS FOR SPR PROGRAMMES*

Category	Current proposals	Proposals presented in document DP/1990/43	Fourth cycle
	(Millions of US dollars)		
DISASTER MITIGATION			
Emergency relief	7.0	7.0	7.0
Reconstruction and rehabilitation	28.0	33.0	26.0
Refugees and displaced persons	5.0	-	0.5
Disaster management	10.0	10.0	1.5
Total	50.0	50.0	35.0
THEMATIC ACTIVITIES			
Human Development Report	8.0	5.0	1.6
Country programming initiatives	5.0	5.0	-
New thematic activities			
- Poverty alleviation	10.0	20.0	-
- Environmental management development	25.0	25.0	-
- Drug abuse control/crop substitution	**	-	-
- AIDS	**	-	-
- Follow-up to the World Conference on Education for All	**	5.0	-
- Management Development Programme	35.0	30.0	60.0

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* See paragraph 18 regarding the handling of staff costs associated with SPR earmarkings.

** Included under "New initiatives".

Category	Current proposals	Proposals presented in document DP/1990/43	Fourth cycle
	(Millions of US dollars)		
- Special Plan of Economic Co-operation for Central America (PEC)	***	-	20.0
- United Nations Programme of Action for African Economic Recovery and Development 1986-1990	***	-	-
- Transfer and adaptation of technology for development	**	-	-
- Women in development	10.0	-	-
Technical Co-operation among Developing Countries	15.0	15.0	10.1
Total	108.0	105.0	91.7
AID CO-ORDINATION (National technical co-operation assessment and programmes (NATCAPs), round-table meetings, field co-ordination, etc.)			
NATCAPs, round-table meetings and UNDP support to Consultative Group meetings	35.0	35.0	14.0
Others, e.g. needs assessments, country programme reviews	10.0	10.0	2.4
Field co-ordination activities (including PEC and UNPAAERD)	20.0	10.0	-
Total	65.0	55.0	16.4
PROGRAMME DEVELOPMENT			
Project Development Facility	15.0	15.0	4.5
Programme evaluation/training	7.0	7.0	3.0
Programme research	8.0	8.0	2.5

*** Included under "Field co-ordination activities".

Category	Current proposals	Proposals presented in document DP/1990/43	Fourth cycle
	(Millions of US dollars)		
New initiatives/innovative approaches, including private sector development, non-governmental organizations, drug abuse control/crop substitution, HIV/AIDS, Social Dimensions of Adjustment, Education for All, technology for development, etc.	32.0	20.0	11.4
Total	62.0	50.0	21.4
ASSISTANCE TO THE PALESTINIAN PEOPLE	12.0	12.0	12.0
Contingency (approximately 5 per cent)	16.0	28.0	13.0
GRAND TOTAL	313.0	300.0	189.5

6. The Governing Council, in paragraph 8 of decision 90/34 decided that capacity-building in the designated areas of focus should receive priority in UNDP programmes, including inter-country operations. It also set aside for SPR and inter-country programmes 19.9 per cent of total programmable resources. Since these are not predistributed to specific countries, it is on this resource that the Council's designated priorities can more directly be brought to bear, while recognizing that continuing commitments in respect of inter-country projects may impose certain limits on programming. SPR, with their increased resources for the next cycle, offer the greatest potential for the application of the human development strategy, as expressed in the areas of priority focus designated by the Council. Hence special attention is being given by the Administrator to the manner in which these SPR allocations can achieve maximum catalytic impact.

7. In preparing his proposals to the Governing Council, the Administrator consulted UNDP's resident representatives on the perceived needs of recipient countries and the priorities for the use of SPR. The responses received demonstrate a clear interest in the use of SPR in support of the designated focus areas. These areas have been stated by resident representatives to represent already intended areas of concentration - in various orders of priority - in many countries. These responses also show that, as new activities as detailed below are initiated in the areas covered by SPR, their "mainstreaming" will be largely welcomed in recipient countries. Further discussions with Governments, through the resident representatives, and with specialized agencies will ascertain needs and priorities.

8. In view of the large number of country programme reviews and new country programme preparations under way during 1991, the last year of the fourth cycle, it will be advantageous to make available some funding during this year for financing certain activities described in the present report. In this way the Council's focus areas could hopefully be better reflected in the content of country programmes due to start after 1 January 1992. The Council may wish to consider releasing $10 million of fifth cycle SPR from proposed earmarkings, for commitment or expenditure in advance of the cycle, to help individual countries orient their country programmes in light of paragraph 7 of Council decision 90/34.

9. The following presentation deals with the various categories of activities to be funded by SPR in the same order as they appear in the table following paragraph 5. Traditional activities, which have been the subject of previous reports to the Governing Council, particularly of document DP/1990/43, are only briefly referred to. The main body of this report will deal with the new category, "Thematic activities".

III. PROPOSED FIFTH CYCLE EARMARKINGS FOR SPR PROGRAMMES

A. Disaster mitigation

10. This category covers the main activities previously described to the Governing Council (in paras. 1 to 6 of annex III to document DP/1990/43) and they are proceeding according to plan. The bulk of funds earmarked for disaster mitigation in the fifth cycle will be devoted to specific country-level needs as identified in the country training courses just started. A first provision of $500,000 for refugees and displaced persons programmes was made available for the fourth cycle during the last session of the Council for the prompt assessment of needs caused by population displacements. The joint work with the Office of the United Nations High Commissioner for Refugees (UNHCR) during the forthcoming period will enable preparations to be made for a coherent response by UNDP, in co-operation with UNHCR, to the acute development problems which the increasing numbers of returning refugees and displaced persons are creating in affected countries. A consultation with the UNDP field establishment has confirmed the acute need for this intervention.

B. Thematic activities

11. A key to the introduction of the selected themes in operational activities of UNDP at country level will be the human development strategies to be developed in each country. Assistance to Governments will be available, as mentioned in paragraphs 21, 30 and 31, which should help, where needed, in drawing up a "national programme framework", as advocated by the General Assembly in its resolution 44/211 of 22 December 1989.

12. Programmes funded from SPR in the next cycle, relating to the priority areas determined by the Governing Council, are considered of catalytic nature; they should fit within either of the following categories, which can be considered as basic qualifying criteria:

(a) Development of new concepts, relating to technical co-operation, with the goal of "operationalizing" the concept into core activities, inter-country and country programmes. This will include: research on which action will be based; pilot and demonstration projects; feasibility studies; the development of UNDP programmes and policy guidelines; and funding for conferences and workshops for information sharing and promotion of the concept;

(b) "Mainstreaming" new concepts - to attract IPF allocations and other donor contributions for country or inter-country initiatives in new fields. This might include: whole or partial funding of country assessments and programming missions, and seed money to countries for wider adoption of promising pilot programmes, through combining SPR with IPF resources.

Role of inter-country programme allocations

13. There are historic and programming processes which influence the commitment of the regional IPFs. In all regions, and more particularly in the cases of Africa and Latin America, regional meetings at economic and political planning levels develop initiatives or programmes which are then endorsed by regional bodies or by bodies of the United Nations. These constitute specific injunctions which have to be taken into account in the use of regional resources. Such is the case, for instance, with the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UNPAAERD) and the Transport and Communications Decade in Africa and the Second Industrial Development Decade for Africa.

14. Notwithstanding the above observation, it should be possible to reflect increasingly the Council's designated focus areas in the content of future regional operations. This process has in fact begun: in the requests for proposals for fifth cycle funding made to the major specialized agencies and to resident representatives, the priorities endorsed by the Council have been featured, and their effect will be demonstrated in submission to the Council of regional programmes under preparation.

15. In the case of global and inter-country allocations, many of the operations funded are expected to respond to certain mandates and policy prescriptions: the Governing Council has, through the years, mandated the global programme to sponsor, or co-sponsor, basic research in those fields where a long-term perspective is called for and the link to human development is fundamental. Agriculture and health have been at the top of the global agenda. Such operations as the multi-donor Consultative Group on International Agricultural Research (CGIAR) and the Special Programme for Research and Training in Tropical Diseases (UNDP/World Bank/World Health Organization) have been dependent on core contributions from UNDP. Likewise, the interregional programme reflects the human development dimension as demonstrated in such programmes as the Water and Sanitation Programme (UNDP/World Bank), the Special Public Works Programme (UNDP/International Labour Organisation) and the Energy Sector Management Assistance Programme (ESMAP) (UNDP/World Bank).

16. The above programmes have also attracted significant cost-sharing or co-financing from multilateral, bilateral and non-governmental agencies (including

foundations). The net multiplier effect of UNDP's investment in these activities is about a factor of 10 - $10 of total funds associated with one dollar of UNDP contribution. In addition to outside funding, the interregional programme ($53.9 million) has been matched by $54.8 million from UNDP's national and regional funds in order to take advantage of the world-wide technical and financial support systems established. This attention to attracting co-financing will increase in the coming years: an emphasis on the research for additional resources at global, regional and country levels will serve the Council's objective of spreading the message of the selected priorities, through replication, networking or other means.

17. The increase in SPR resources offers an opportunity to increase joint programming among SPR, regional, interregional and global programmes. Once this is done, the ultimate pay-off of the policy direction dictated by the Council's area priorities can only be felt at the country level. We have learned from fourth cycle experience that, to be deemed successful, the activities and the outputs of inter-country programmes and projects must ultimately be endorsed and embraced by the individual countries themselves. When this does not happen, the results of inter-country projects consist of little more than admonitions and recommendations. Country-specific application of the policy thrusts, as they are developed with support from SPR or inter-country funding, will therefore constitute the test of effectiveness at country level of the priority areas as designated. This will be the subject of future reports to the Council, as requested in paragraph 9 of decision 90/34.

18. Funding allocations for the development of new concepts are contained mainly in the category of "Thematic activities". Funding for mainstreaming is included both under "Thematic activities" and under allocations for "Aid co-ordination" and "Programme development". The UNDP staff costs associated with the development of focus areas listed in decision 90/34 will be reflected at the time of the presentation of the 1992-1993 biennial budget, under the programme support activity (PSA) segment of UNDP's budget appropriations. In line with decision 90/34, the proposed budget will delineate between the institutional requirements and related staff costs associated with programme support and development on the one hand, and SPR-financed programme expenditures on the other. Any consequential adjustments in the earmarkings of SPR listed in the table which follows paragraph 5 will be submitted to the Governing Council in June 1991.

Human development: the central thrust to build national capacities

19. The corner-stone of UNDP's development initiatives for the 1990s will be to help Governments operationalize this concept and thereby translate it into the practical reality of national policies and investments. Over the fifth cycle, this will be achieved by promoting "Human development" as a development goal in the countries where UNDP operates, and by orienting the programming of UNDP-managed resources around the six priority areas.

20. In support of this goal, an SPR programme will produce an annual human development report for wide public distribution, which will draw attention to the measurements of development in a human context, rather than in a purely economic context. The report will be supplemented by disseminating policy experiences from

a human development perspective, and by efforts to improve statistical indicators and projections for measuring and monitoring human development.

Country programming initiatives

21. Mainstreaming human development in national policies and programmes through support to country programming initiatives will be funded under this heading. Knowledgeable consultants will be provided to interested countries as part of the UNDP country programming process, to advise on policy and programme options for the development of policies, strategies and programmes in one or more of the six thematic areas.

Poverty alleviation

22. For the fifth cycle, UNDP's focus in poverty eradication and grass-roots participation will be to expand and improve the response which UNDP is able to provide to Governments in these areas, both as a source of technical expertise and information, and as a mobilizer of additional financing. SPR funding will support the development, dissemination and mainstreaming of innovative strategies and policy options for poverty alleviation and grass-roots participation in such key areas as nutrition (a special initiative, in collaboration with the World Bank, is referred to in para. 37), urbanization, improved access to capital, decentralization, non-governmental organization promotion and other empowerment approaches including the Partners in Development Programme.

Environmental management development

23. SPR will support national environmental initiatives to link countries in global initiatives, to incorporate environmental concerns into national programme and project development, and to facilitate the effective utilization of resources available for environmental activities. Specific elements of the programme include national awareness-creating workshops, dissemination of environmental management guidelines, preparation of projects for financing under the Global Environment Facility and the Multilateral (Ozone) Fund, establishment of the Sustainable Development Network, and support for operationalizing new initiatives stemming from the United Nations Conference on Environment and Development in 1992.

Drug abuse control/crop substitution

AIDS

Follow-up to the World Conference on Education for All

24. These three areas, together with others such as activities in support of Social Dimensions of Adjustment and improved nutrition, both of which in collaboration with the World Bank, and private sector development, will be funded under the heading "New initiatives", in paragraph 37.

Management Development Programme

25. The Management Development Programme (MDP), operational since 1988 with SPR funding, will continue to be funded from SPR in the fifth cycle. It is the role of UNDP to help Governments to develop long-term programmes for management improvement in the public sector. While MDP is open to all countries wishing to participate, special efforts are devoted to countries undertaking major reforms. As MDP develops, co-operation with other agencies in the United Nations family is expanding, both at programming and implementation stages. UNDP will be reporting separately to the Governing Council in June 1991 on MDP, including a report on an evaluation of the Programme.

Special Plan of Economic Co-operation for Central America

United Nations Programme of Action for African Economic Recovery and Development 1986-1990

26. Both of these operations will receive SPR support under the heading of "Field co-ordination activities", which appears in the next category.

Technical co-operation among developing countries

27. SPR will continue to develop new TCDC approaches and mainstream these approaches through the provision of a TCDC component in country programme assessments and programming initiatives.

Transfer and adaptation of technology for development

28. Transfer and adaptation of technology in development will be incorporated as technology components under SPR programme areas, such as environmental technology, educational technology (under the Education for All (EFA) framework) etc., or under "New initiatives".

Women in development

29. For the fifth cycle, the goal of UNDP's focus on women in development will be twofold: to strengthen national capacity in the area of women in development and to improve substantially the gender responsiveness of UNDP's policies, procedures and operational activities for development. SPR resources will also be used to address critical and emerging issues of concern to women, including poverty, maternal mortality, the HIV epidemic and the environment.

C. Aid co-ordination

NATCAPs, round-table meetings and UNDP support to Consultative Group meetings

30. The Second United Nations Conference on the Least Developed Countries, held in September 1990, recommended that round-table conferences and Consultative Group meetings be held every one to two years and be backed by sectoral and other ad hoc consultations - or 10-15 of each per year. Also over the fifth cycle, a NATCAP process will be completed in a number of countries. As the process is internalized, its co-ordination and updating will require continuing support. NATCAPs will be launched in new countries requesting them both in Africa and in other regions. A preliminary evaluation of this process and its accomplishments is currently under way and will be reported on. Assessments and programme development activities under SPR funding for the area priorities will be incorporated into these efforts.

Needs assessments, country programme reviews

31. Country programme reviews which result from or give rise to in-depth needs assessments of issues relating to the UNDP priority areas will be taken up under this allocation, as also under the respective SPR thematic allocation.

Field co-ordination activities: Special Plan of Economic Co-operation for Central America (PEC) and UNPAAERD

32. Funding for a UNDP participation in these two programmes will be provided under this heading, as well as the support for specific innovative efforts at improved field co-ordination.

D. Programme development

33. The following instrumentalities will partly be utilized to operationalize the above-mentioned components of the SPR programmes supporting the key policy thrusts. They will also be applied to meet other non-thematic needs, in accordance with the objectives for their utilization.

Project development facility

34. This facility has demonstrated its usefulness in helping Governments to prepare pipelines of well-planned projects. For the fifth cycle, it will also be applied for development of both programmes and projects in the areas of priority focus.

Programme evaluation/training

35. Over the fifth cycle, SPR funds will be used for over 100 evaluations - some of which will be joint evaluations with other donors - and for evaluation training. The emphasis in the work of the Central Evaluation Office (CEO), beginning in 1991, will increasingly shift from project-level concerns and

mechanisms to policy, process and programme-level evaluations. Included will be thematic evaluations, cluster evaluations, case studies, and setting up of monitoring systems for each area of thematic focus. CEO will also continue to undertake other priority evaluations, such as those requested periodically by the Governing Council.

Programme research

36. Over the fifth cycle, UNDP's research programme will concentrate on four areas: national capacity-building, human development, poverty, and sustainable environment. This subject is under current review and will be reported on at a later date.

New initiatives/innovative approaches, including private sector development

37. Special initiatives already under way, or expected to be started with SPR financing, include activities concerned with private sector development, non-governmental organizations, drug abuse control/crop substitution, HIV/AIDS, technology for development, a new nutrition initiative and the ongoing programme regarding the Social Dimensions of Adjustment (both in collaboration with the World Bank) as well as the follow-up to the World Conference on Education for All. Additional SPR funding could be used for spearheading innovations in the other major sectors of UNDP involvement - such as agriculture or transport - provided these programmes meet the criteria established for SPR financing, and provided programme objectives are specifically geared towards promoting one or more of the fifth cycle policy goals. Resources for these programmes would come from the allocations for new initiatives or from the contingency allocation.

E. Assistance to the Palestinian people

38. This programme of technical and capital assistance to the peoples in the occupied territories of the West Bank and Gaza is financed in part from SPR. The amount authorized by the Governing Council for the fourth cycle was $12 million, bringing total SPR funding since the programme commenced operations in 1980 to $25.5 million. This programme is providing much-needed economic and social support and is generating substantial co-financing from bilateral donors.

IV. MANAGING THE SPECIAL PROGRAMME RESOURCES

39. To maintain proper accountability in management of SPR, SPR-funded operations will be subject to the same scrutiny and discipline as other operations funded from UNDP resources. In particular, all SPR projects above $100,000 will continue to be reviewed and approved by the Action Committee. The Administrator will continue to report annually to the Governing Council on the status and utilization of SPR.